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SUBMISSION ON BEHALF OF THE GOVERNMENT
OF THE PROVINCE OF NEWFOUNDLAND ON THE
ROYAL COMMISSION ON COAL

By
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Deputy Minister of Economic Development
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The people of Newfoundland are vitally interested in the procurement of domestic coal from Cape Breton. The Province of Newfoundland has a real desire to use Cape Breton coal rather than United States coal. While United States coal has many advantages, the Province of Newfoundland is a firm believer in supporting the economy of the Region made up of the four Atlantic Provinces. In addition many miners of Newfoundland extraction work in Cape Breton. Coal transport from Cape Breton provides work for Newfoundland coasters and their seamen. Cape Breton coal also has the advantage of being available for direct shipment in the small quantities required for the Newfoundland Outport trade.

"DOMESTIC NORTH SYDNEY WASHED"

The quality of coal needed is "Domestic North Sydney Washed". Apart from this there is a quantity of "Industrial" coal for DOSCO's own operations at its iron ore mines on Bell Island, Newfoundland, and also a quantity for the Thermal-Electric plant at Gander.

200,000 TONS

The amount required by Newfoundland is something in the nature of 200,000 tons a year.

Newfoundland is probably unique in that its total annual consumption of coal so far has remained steady through the years. This is due partially to the fact that much coal is used in the Outports as a supplement to wood, and, as the forests are cut back from the settlements, the usage of coal increases. While oil is being used in increasing quantities, because of the foregoing, the demand for Coal still remains fairly steady.

OUTPUT

Extreme difficulties have existed in getting the desired quality of coal from Cape Breton at the time of the year when it is required.

Another Washing Plant is definitely necessary at Sydney in order to keep pace with Newfoundland's normal demands. Unwashed screened coal is accepted only with extreme reluctance; because it is dirty at all stages to handle, and is wasteful. In fact most dealers will not accept it under any condition.

OCTOBER-NOVEMBER DELIVERY

The demand for coal for Newfoundland comes principally in October and November. There are a number of reasons for this: The North East and North West coasts of Newfoundland are blocked with ice for the winter months, and this necessitates getting in stocks before freeze-up. In some cases premises are used for fish until October, and only after the fish has been shipped can they be used for coal. There is also the factor that no one likes to tie up money for stocks of winter coal longer than is necessary.

LONG DELAYS

It is impossible, with the present facilities on the North Sydney side for washing coal, to provide Newfoundland with its requirements.

In past years this has resulted in vessels encountering many days of delay when calling for coal at North Sydney. In fact many coasters have come back to Newfoundland without cargoes, and outports were left in very straitened circumstances for winter fuel.

For several years the Province of Newfoundland has had to provide, at its own cost, a Liaison Officer at North Sydney who has done his best to regulate the traffic and to try and obtain what coal he could for the Newfoundland vessels.

During the past year a very high degree of co-operation has been received from DOSCO because of the personal interest of its President, Albert L. Fairley, Jr.

To offset the slowness of supply of washed coal, the following steps have been taken:

- (1) An intensive effort was made, both on the part of the Company and the Province of Newfoundland to induce dealers and vessels to come for coal during the summer and early fall.
- (2) The Company extended credit to reputable coal dealers who would accept their requirements during the summer.
- (3) The Liaison Officer at North Sydney was employed again by the Province.
- (4) A keen personal interest in the Newfoundland movements was exercised by Mr. Fairley, and Vice-President Charles W. Appleton, and
- (5) An alteration of mining machinery was effected by the Company to ensure a greater percentage of domestic size coal.

It can be realized readily that the battle between Oil and Coal as fuel is not helped when Coal is not obtainable as required, and when such extraordinary measures have to be taken by the Customers themselves and by their Province.

RECOMMENDATION

It is therefore recommended that immediate steps be taken at Cape Breton by providing a loan or other assistance to the Corporation to set up a washing plant and adequate facilities for loading the steamers and coasting vessels with the required quality of coal at the time best suited to the customers in Newfoundland.

